

197—8.2(534) Authorization.

8.2(1) An association may offer NOW accounts under which the account owners may order or authorize the withdrawal of a specified amount of the account by means of cash or a negotiable or nonnegotiable check or similar instrument payable to the account owner or to the third parties or their order for the benefit of the account owner.

8.2(2) Pursuant to this authority a NOW account holder, by nontransferable order or authorization, may periodically or otherwise, authorize payment to third parties from accounts and purchase traveler's checks and money orders from an association.

8.2(3) An association may offer commercial NOW accounts pursuant to Iowa Code section 534.209.

8.2(4) An association may offer demand accounts to (a) those persons or organizations that have a business, corporate, commercial or agricultural loan relationship with the association, and (b) commercial, corporate, business or agricultural entities for the sole purpose of effectuating payments thereto by a nonbusiness customer. To satisfy the intent of Iowa Code section 534.209, the issuance of demand accounts by an association shall be subject to the conditions and limitations imposed upon federal associations for similar activity. Pursuant to Public Law No. 97-320 94 Stat. 1469, Section 312, and Federal Home Loan Bank Board Resolution Number 82-730, dated November 4, 1982, federal associations were authorized to offer demand accounts effective October 15, 1982.